

The complaint

Ms M complains that Monzo Bank Limited won't refund what she says are unauthorised payments made on her account.

Ms M has brought her complaint with the help of a representative. But for ease of reading I'll ascribe the representative's comments to Ms M throughout.

What happened

The detailed background to this complaint is well known to both parties. And so I'll only provide a brief overview of some of the key events.

In November 2021 Ms M reported to Monzo that there were transactions on her account that she didn't recognise. The following are extracts of the online chat between Ms M and Monzo with W being the merchant that certain payments had gone to.

12 and 13 November 2021

Monzo: *"Are there any payments you don't recognise?"*

Ms M: *"W, The £500, £124.59 and the £300 as well."*

Monzo: *"Just to double check, did you make these transactions or you do not recognise them?"*

Ms M: *"No didn't make the payment just PayPal ones. So about three payment to W wasn't me."*

15 November 2021

Ms M: *"I was selling something to a girl on Instagram, she said sent me money so I sent her PayPal, then she kept taking more and more money off me..."*

Monzo: *"Just to clarify, did you send her more money or did she have access to your details in order to take the money herself?"*

Ms M: *"She had access to my details I sent her 100 for lawyer and 150 there at the end of October that was it..."*

16 November 2021

Ms M: *"...She told me she was going to pay for a lawyer and that she would get her arrested. I only give her a 50 pound and PayPal address so she would send me the money then more money kept coming out."*

21 November 2021

Monzo: *"...to confirm the only payment you have sent yourself is £100..."*

Ms M: *"Yes only one payment but when I look back more came out from her..."*

Ultimately Monzo said that they were unable to accept Ms M's allegation that the payments in dispute were unauthorised and they declined to make a refund. Ms M complained saying

she had lost nearly £2,900. Monzo maintained their position and the complaint was referred to our service. One of our Investigators recommended that the complaint should be upheld and that Monzo should refund around £900 worth of payments that went to W. Monzo disagreed and asked for an Ombudsman to review the complaint.

In January 2023 I issued a provisional decision in which I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so, I’m currently intending to reach a different outcome compared to that of our Investigator.

Ms M says her loss is around £2,900 but hasn’t provided a further breakdown of this amount. I think the extracts from the chat history are clear that Ms M’s evidence has been inconsistent and contradictory. Initially just the payments to W are reported as unrecognised with Ms M accepting she made the payments through PayPal. Ms M later said that she made certain payments of £100 and £150. Before later stating that the only payment she sent was one for £100. The impact of this is that it is very difficult for me to place a lot of weight on Ms M’s testimony as credible evidence as she hasn’t been consistent in what she’s said.

The only payments which have been consistently contested as unauthorised are three debit card payments to W. These were for £124.59 and £500.59 both on 1 November 2021 and £300.59 on 2 November 2021. These were authenticated using additional 3DS security. And for these payments Monzo have evidenced that a PIN was provided to facilitate them.

Further to this the evidence from Monzo shows that the payments were authorised from a device which was ‘fully trusted’ on their system. I asked Monzo about what is required for a device to be ‘fully trusted’ and they explained that this means it is a device from which they’ve received a video selfie confirming the customers identity. So overall, I’m satisfied that the payments to W were correctly authenticated.

Because Ms M hasn’t provided plausible and credible testimony as to what has happened here – I can’t rely on her testimony as the basis to uphold this complaint. I can see that Monzo repeatedly sought clarity from Ms M but nothing consistent or credible was forthcoming.

As such, I think the decision Monzo reached (that the payments were authorised) was fair. The payments were authorised by use of a PIN number and on the same device that had supplied a video selfie to Monzo. So I don’t think Monzo’s conclusion that these payments were authorised is unfair or unreasonable.”

Neither Monzo nor Ms M provided a response to my provisional decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

As neither party provided any further comments or evidence for my consideration, I see no reason to deviate from the outcome explained in my provisional decision and I’m not going to require Monzo to do anything further to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 8 March 2023.

Richard Annandale
Ombudsman